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**COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the main filing office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-12-13

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

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SHREVEPORT, LOUISIANA 71151-5828

INDEPENDENT AUDITOR'S REPORT

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Board of Directors
Council on Alcoholism and Drug Abuse
OF Northwest Louisiana, Inc.
Shreveport, LA

We have audited the accompanying statement of financial position of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a non-profit organization) as of June 30, 1993, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of June 30, 1993, and the changes in its net assets and its cash flows and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 1994, on our consideration of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards and state contracts are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented as required by U.S. Office of Management and Budget Circular A-110, *Audit of State, Local, Government, and Non-Profit Organizations*. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Youngblood & Hodges
A Professional Accounting Corporation

January 23, 1994

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002

	ASSETS		
	Unrestricted	Temporarily Restricted	Total
Current assets:			
Cash on hand and in bank, including			
\$79,294 bearing interest	\$ 115,502		\$ 115,502
Food stamps	1,781		1,781
Accounts receivable	384,036	31,750	415,786
Due from affiliated organization	63,099		63,099
Other current assets	<u>25,000</u>	<u></u>	<u>25,000</u>
Total current assets	<u>488,392</u>	<u>31,750</u>	<u>520,142</u>
Property and equipment:			
Buildings & land	1,757,236		1,757,236
Leasehold improvements	436,722		436,722
Furniture and fixtures	26,989		26,989
Equipment	<u>378,324</u>	<u></u>	<u>378,324</u>
Total property and equipment	2,599,311		2,599,311
Less: Accumulated depreciation	<u>(530,853)</u>	<u></u>	<u>(530,853)</u>
Net property and equipment	<u>2,068,458</u>	<u></u>	<u>2,068,458</u>
Total assets	<u>\$ 2,556,850</u>	<u>\$ 31,750</u>	<u>\$ 2,588,600</u>

See independent auditor's report and notes to financial statements

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002

LIABILITIES AND NET ASSETS

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Current liabilities:</u>			
Accounts payable	\$ 97,361		\$ 97,361
Payroll taxes payable	141,585		141,585
Unearned rent income	23,759		23,759
Accrued interest payable	9,375		9,375
Other-ADAC fund payable	1,733		1,733
Note payable - current portion	<u>79,482</u>		<u>79,482</u>
Total current liabilities	<u>353,325</u>		<u>353,325</u>
 <u>Long-term liabilities:</u>			
Note payable - net of current portion	<u>584,814</u>		<u>584,814</u>
 Total liabilities	 <u>938,140</u>		 <u>938,140</u>
 <u>Net assets:</u>			
Net assets	<u>1,693,763</u>	<u>13,759</u>	<u>1,707,522</u>
 Total liabilities and net assets	 <u>\$ 2,631,903</u>	 <u>\$ 13,759</u>	 <u>\$ 2,645,662</u>

See independent auditor's report and notes to financial statements

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002

	Unrestricted	Temporarily Restricted	Total
Public support:			
United Way	\$ 11,259	\$ 33,750	\$ 45,009
Memberships and contributions	81,916		81,916
SBA grant income	<u>177,940</u>		<u>177,940</u>
Total public support	<u>271,125</u>	<u>33,750</u>	<u>304,875</u>
Revenues:			
Management contracts -- City, state and federal government	1,837,188		1,837,188
Annual meeting and seminars	9,857		9,857
Client payments	48,322		48,322
Government assistance -- Clients	112,924		112,924
Management contract -- Related entity	603,429		603,429
Miscellaneous income	94,280		94,280
Interest	<u>4,138</u>		<u>4,138</u>
Total revenues	<u>2,710,336</u>		<u>2,710,336</u>
Total public support and revenues	<u>2,982,456</u>	<u>33,750</u>	<u>3,016,206</u>
Expenses:			
Salaries	1,929,172		1,929,172
Payroll taxes	221,987		221,987
Rent	70,281		70,281
Utilities and telephone	140,018		140,018
Auto expenses	26,452		26,452
Insurance	194,497		194,497
Training and travel	36,419		36,419
Annual meeting	9,187		9,187
Food	153,797		153,797
Maintenance and repair	48,288		48,288
Supplies	101,377		101,377
Printing and literature	14,971		14,971
Depreciation	111,139		111,139
Professional services	227,853		227,853
Advertising and promotion	6,779		6,779
Interest expense	38,370		38,370
Other	<u>83,836</u>		<u>83,836</u>
Total expenses	<u>3,407,563</u>		<u>3,407,563</u>
Increase (decrease) in net assets	<u>(425,106)</u>	<u>33,750</u>	<u>(391,356)</u>

(Continued)

See independent auditor's report and notes to financial statements

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
STATEMENT OF ACTIVITIES
(Continued)
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Increase (decrease) in net assets	(425,190)	33,750	(391,440)
Net assets - June 30, 2001	1,948,371	108,730	2,057,101
Transfers - release of restrictions	<u>108,750</u>	<u>(108,750)</u>	<u> </u>
Net assets - June 30, 2002	<u>\$1,631,931</u>	<u>\$ </u>	<u>\$1,631,931</u>

(Continued)

See independent auditor's report and notes to financial statements

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002

Cash flows from operating activities:

Increase (decrease) in net assets	\$ (181,358)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	111,139
(Increase) decrease in accounts receivable	(49,274)
(Increase) decrease in fixed assets	(1,202)
(Increase) decrease in prepaid expenses	3,080
Increase (decrease) in accounts payable	49,571
Increase (decrease) in accrued liabilities	(255)
Increase (decrease) in payroll taxes payable	38,624
Increase (decrease) in unearned rent income	(8,000)
Increase (decrease) in interest payable	9,374
Total adjustments	<u>156,887</u>
Net cash provided (used) by operating activities	<u>(24,471)</u>

Cash flow from investing activities:

Cash payments for the purchase of equipment	(52,447)
Cash payments for the purchase of furniture	(3,219)
Cash payments for the purchase of property	(288,889)
Cash payments for the purchase of household improvements	<u>(78,825)</u>
Net cash provided (used) by investing activities	<u>(423,380)</u>

Cash flow from financing activities:

Proceeds from issuance of long-term debt	1,134,657
Principal payments on long-term debt	<u>(831,508)</u>
Net cash provided (used) by financing activities	<u>303,149</u>

Net increase (decrease) in cash and equivalents	(214,492)
Cash and equivalents, beginning of year	<u>447,993</u>

Cash and equivalents, end of year \$ 233,501

Supplemental disclosures of cash flow information:

Cash paid during the year for:	
Interest expense	\$ 20,965
Income Tax	<u>1</u>

See independent auditor's report and notes to financial statements

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2005

Table- Budget Center Program	PROGRAM SERVICES							Management and General	Total Expenses
	Admission Center Program	Brookshire Program	Employee Ambulance Program	STAFF	Family Support Center	Marshall			
Subtotal	\$ 120,281	\$ 424,617	\$ 175,070	\$ 121,865	\$ 36,796	\$ 33,116	\$ 311,448	\$ 1,005,172	
Payroll taxes	16,387	33,413	16,470	14,364	2,795	4,342	100,660	221,361	
Rent	15,000	18,504	90	-	38	8,746	19,789	79,287	
Utilities and telephone	27,761	3,471	11,481	31,752	3,327	2,817	31,397	148,118	
Auto expenses	15,761	3,336	85	1,314	465	-	912	26,452	
Insurance	19,446	4,074	23,176	6,559	4,005	5,286	36,035	89,481	
Traveling and travel	1,071	1,211	5,714	1,448	568	2,775	15,753	26,476	
Animal medical	-	-	-	-	-	-	10,187	10,187	
Food	48,664	48,357	-	875	2,331	7	38	101,594	
Maintenance & repair	34,911	11,218	1,081	5,628	822	568	8,259	48,288	
Supplies	18,017	26,041	3,081	9,719	2,378	1,723	31,288	81,177	
Printing and literature	873	214	3,074	511	-	495	1,839	14,971	
Depreciation	14,211	12,817	6,654	16,623	18	606	26,762	111,159	
Professional services	31,461	3,816	11,462	5,188	8,944	22,481	100,137	221,342	
Advertising and promotion	84	364	-	1,188	-	47	106	479	
Business expenses	-	-	-	-	-	-	38,376	38,376	
Other	3,012	6,797	6,632	6,725	1,111	1,629	53,763	85,625	
TOTAL	\$ 344,482	\$ 714,792	\$ 248,072	\$ 271,871	\$ 64,092	\$ 371,664	\$ 1,074,468	\$ 1,429,582	

See Independent auditor's report and notes to financial statements

**COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

(1) SIGNIFICANT ACCOUNTING POLICIES

Organization

The Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is a non-profit corporation. The purpose of the Council is to continue heightening public awareness that alcoholism and drug addiction are preventable and treatable diseases, through a combined strategy of education, public policy changes and the efforts of individuals, families and all elements of the community working in concert. The Council operates an information center providing a wide variety of information and referrals. The Council also operates the Caddo Boulder Center, the Adolescent Center and the Buckhalter Hotel that provide long-term residential treatment for adults and teens.

Depreciation and capitalizing policy

The basis of valuation of depreciable assets is the asset's cost or fair market value at date of donation. Expenditures for assets in excess of \$500 are capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis as follows:

Buildings	39 years
Leasehold improvements	20 - 25 years
Furniture and fixtures	7 years
Equipment	5 - 15 years

Provision for Income Taxes

No provision for income taxes is reflected in the statements as the Council files a tax-exempt return under IRS Section 501(c)(3).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within ninety (90) days of purchase.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2012

(1) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional Allocation of Expenses

The costs of providing the Council's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The organization has not accrued compensated absences because the amount cannot be reasonably estimated.

Advertising Costs

Advertising costs are expensed in the year incurred. Advertising costs expensed during the year amounted to \$6,779.

Support and Revenue

The Council receives its grant and contract support primarily from the State of Louisiana Department of Health and Hospitals and other State Agencies. Support received from these grants and contracts is recognized on a "cost funded" basis whereby State of Louisiana Department of Health and Hospitals, Office for Addictive Disorders funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees and food stamp income in determining grant funds to be recognized. The Council receives client fees and food stamp income for billable client services and recognizes these fees and income when earned.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, in both, as a result of noncompliance by the Council with the terms of the grants/contracts.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. If during the year a contribution received is temporarily restricted and the requirements of the temporary restriction are met in the same year, thus releasing all of it from the restriction, it is the Council's policy to report the contribution income and the related expenses as unrestricted.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2003

(1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Memberships

Memberships are essentially honorary, as no goods or services are provided to the members in exchange for their membership dues, and consequently, memberships have been presented as contribution revenue.

(2) LEASES

The Council leases the facilities that house its Adolescent Center on a month-to-month basis for three months of the fiscal year. Lease payments are \$2,750 per month resulting in minimum lease rental payments of \$8,250 in the year ending June 30, 2003. The Adolescent Center moved into a building owned by the Council. The Council allocated a rental rate of \$1,200 per month to the Adolescent Center program.

The Council leases the facilities that house its Caddo-Boisier Center on a ten (10) year basis for \$1 per year beginning July 1, 1997, and ending June 30, 2007. The Caddo-Boisier Center moved part of its program into a building owned by the Council. The Council allocated a rental rate of \$1,000 per month to the Caddo-Boisier Center program.

The Council leases the facilities that house its Mansfield Treatment Center on a month-to-month basis. Lease payments were \$445 per month for one month, \$600 per month for three months, and \$800 per month for eight months resulting in minimum lease rental payments of \$8,645 in the year ending June 30, 2003.

All leases are accounted for as operating leases.

(3) CONCENTRATIONS

Approximately 16% of the Council's total revenue comes from contracts with the State of Louisiana. However, the revenue is divided among eight separate contracts, thus reducing the possibility of a severe adverse effect upon the Council if a contract is lost.

(4) CASH

At various times during the fiscal year, the Council's cash in bank balances exceeded the Federally insured limits. At June 30, 2003, the Council's uninsured balances totaled \$71,677.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2002

(5) RELATED PARTY TRANSACTIONS

The Council entered into transactions with Louisiana Association on Compulsive Gambling (LACG), a non-profit organization related through common management. The Council owns a building (separate from the Council's main office) that it leases to LACG. The term of the lease is five (5) years and the lease payment is \$4,500 per month. The lease includes a \$45,000 deposit by LACG that LACG may deduct from its rental payments to the Council at the rate of \$500 per month for ninety (90) consecutive months as a reduction in the amount of the deposit. At June 30, 2002, the remaining amount of the deposit was \$23,750. In the event that LACG does not make monthly payments or elects not to occupy the leased premises, the balance of the remaining deposit will be forfeited to the Council. The Council received \$27,000 in management fees from LACG for the administrative costs of managing LACG's contracts and maintaining its accounting records. The Council also processes LACG's payroll under the Council's name; the Council is reimbursed by LACG for the total cost of the payroll and associated payroll taxes. The Council had a receivable due from LACG for payroll, rent, and expenses at June 30, 2002, of \$63,094.

The Council also rented two other buildings to LACG for use in two of LACG's programs. Total rent paid to the Council on these buildings during the fiscal year ended June 30, 2002, was \$69,600.

The Council also entered into transactions with a company partially owned by one of the Council's board members. These transactions were entered into during the normal course of the Council's operations and were consummated in the same manner as any other arm's length transactions. Total transactions with this company during the year amounted to \$11,216. Accounts payable at June 30, 2002, included \$448 payable to this company.

(6) RESTRICTED DONATION

The Biederman Foundation donated \$25,000 to the Council during the prior fiscal year that was temporarily restricted. The restriction was released during the current fiscal year when the Council set up the Family Success Institute program that address women's issues in the local area.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2002

(7) NOTES PAYABLE

Notes payable at June 30, 2002, consist of the following:

Note payable to AmSouth Bank at 5.80%, \$3,287 monthly principal and interest through September 1, 2005, at which time a balloon payment of the balance of the note is due; secured by real estate.	\$ 268,183
Note payable to AmSouth Bank at 5.80%, \$1,591 monthly principal and interest through January 6, 2007, at which time a balloon payment of the balance of the note is due; unsecured.	146,113
Note payable to Cambridge Care, LLC, at 6.25%, \$58,376 annual principal and interest through July 31, 2004; secured by real estate.	<u>133,808</u>
Total notes payable	604,296
Less: Current portion notes payable	<u>79,482</u>
Long-term portion notes payable	<u>\$ 524,814</u>

Current maturities of long-term debt are as follows:

<u>Years ended June 30:</u>	
2003	\$ 79,482
2004	84,939
2005	89,831
2006	38,673
2007	371,351
2008 and beyond	<u>-</u>
Total long-term debt	<u>\$ 654,285</u>

Interest expense for the year ended June 30, 2002, was \$34,376 and was charged to operations.

**COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-through Description/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Halfway House	93.859	9-4232	\$ 161,112
Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Halfway House (*)	93.859	9-4233	398,972
Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Halfway House	93.859	9-4234	149,300
Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Halfway House	93.859	9-4235	140,880
Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Outpatient Treatment	93.859	9-4236	30,000
Pass-through program from Louisiana Department of Health and Hospitals Office For Addictive Disorders - Outpatient Treatment	93.859	9-4237	<u>277,296</u>
Total expenditures of federal awards			<u>\$1,258,559</u>

(*) Indicates Major Program.

This schedule of expenditures of federal awards includes the federal grant activity of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-115, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

See independent auditor's report and notes to financial statements

**COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
SCHEDULE OF STATE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2002**

Contract Number	Contract Term	Contract Amount	Revenue Received	Expenditure
<u>BuckMeyer Field</u> 69731 (*)	07/01/01-06/30/02	\$ 148,508	\$ 148,508	\$ 148,508
<u>Cade-Roussier Center</u> 69441 (*)	07/01/01-06/30/02	429,344	361,112	361,112
<u>Adkinswood Center</u> 69911 (*)	07/01/01-06/30/02	398,972	398,972	398,972
<u>MacFarland ADAC</u> 70416 (*)	07/01/01-06/30/02	30,800	30,800	30,800
<u>S.T.L.P.S.</u> 70721 (*)	07/01/01-06/30/02	140,000	140,000	140,000
<u>NEPA Substation Xpress</u> 69962	07/01/01-06/30/02	18,000	18,000	18,000

(*) Indicates federal awards. All federal award programs are CFDA No. 81.058. Total expenditure of federal awards is \$1,011,584.

This schedule of state contracts includes the Louisiana Department of Health and Hospitals Office for Addictive Disorders contract activity of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with State requirements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See independent auditor's report and notes to financial statements

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

4700 LINE AVENUE

P.O. Box 5006

Shreveport, Louisiana 71151-4906

Youngblood & Hodges, CPAs

RANDY E. HODGES, CPA

CPA No. 0001-079

PA No. 0001-000

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors

Council on Alcoholism and Drug Abuse
Of Northwest Louisiana, Inc.
Shreveport, LA

We have audited the financial statements of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a not-profit organization) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 23, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Compliance Findings.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that statements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal funding agencies and is not intended to be and should not be used by anyone other than those named and cited.


Randy E. Hodges, CPA
A Professional Accounting Corporation

January 11, 2001

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
SCHEDULE OF COMPLIANCE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

The results of our tests disclosed the following instance of noncompliance:

(1) *Failure to comply with state law.*

Instance of Noncompliance

The Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. failed to comply with state law since the engagement was issued after December 31, 2000, the six-month statutory issue date.

Reason for Noncompliance

The Executive Director became seriously ill, was hospitalized for an extended time, and was absent from his duties for approximately six months of the fiscal year. The Chief Administrative Officer (who is responsible for the accounting function of the Council) assumed the Executive Director's responsibilities during his absence. During this same time period, the owner of the outside accounting firm that generated the Council's monthly financial statements died and the firm was dissolved. This forced the Council to accelerate its plans to take the financial statement preparation function in-house. Consequently, the Council undertook the task of set-up and implementation of in-house software, data entry, etc. and due to the volume of data, was unable to complete its bookkeeping and conclude the annual audit by December 31, 2002.

Plan of Corrective Action

The Council did not meet the statutory deadline for financial reporting due to the above extraordinary, non-recurring events. The Council has completed its financial reporting requirements for its fiscal year ended June 30, 2002, and is current in its monthly reporting through December 31, 2002, for its fiscal year ending June 30, 2003. The above problem has been corrected and the Council does not anticipate having any problems meeting future statutory reporting deadlines.

This schedule is provided as supplemental information to the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards" dated January 23, 2003.

**COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? No.

Reportable condition(s) identified that are not considered to be material weakness(es)? None reported.

Noncompliance material to financial statements noted? No.

Federal Awards

Internal control over major program(s):

Material weakness(es) identified? No.

Reportable condition(s) identified that are not considered to be material weakness(es)? None reported.

Type of auditor's report issued on compliance for major program:

Adolescent Center Halfway House - unqualified

Any audit finding disclosed that are required to be reported in accordance with section 310(a) of Circular A-133? No.

Major programs:

CFDA Number
53.959

Name of Federal Program or Cluster
Adolescent Center Halfway House

Dollar threshold used to distinguish between type A and type B programs: \$100,000.

Auditee qualified as low-risk auditee? No.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors

Council on Alcoholism and Drug Abuse
Of Northwest Louisiana, Inc.
Shreveport, LA

Compliance

We have audited the compliance of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2002. The Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Council's management. Our responsibility is to express an opinion on Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s compliance with these requirements.

In our opinion, the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit addressee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.



Yvonne Hard & Associates
A PROFESSIONAL ACCOUNTING CORPORATION

January 13, 2009